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SUBJECT: AMBASSADOR HIGHLIGHTS ECONOMIC DEVELOPMENT IN CAGAYAN DE ORO

SUMMARY

¶1. The Ambassador's trip to Cagayan de Oro on June 8 highlighted U.S. business interests and USAID's active engagement in the commercial center of Northern Mindanao. Cagayan de Oro is a gateway and regional market for eight cities representing five provinces in the region. It is a medium-sized city with a population just over 460,000. During her one-day visit, the Ambassador met with beneficiaries of USAID projects including the Microenterprise Access to Banking Services program and the Avian Influenza Municipal Planning Workshops; attended the launch of the USAID's Education and Employment Alliance program; and toured the Rio Verde Water Consortium's Bulk Water Supply Project. End summary.

Microenterprise Access to Banking Services

¶2. The Ambassador called on Green Bank, which participates in USAID's Microenterprise Access to Banking Services (MABS) program. The USG invested \$17.5 million in this program that provides training and technical assistance to rural banks to develop their capability to offer loans and deposit services to microenterprises on a self-sustaining, profit-making basis. Ambassador Kenney praised small business owners for their hard work and recognized the accomplishments of Green Bank, which uses innovative technology such as cell phone payment transfers and text message invoice reminders to transact business with its clients. The Green Bank network boasts 32 branches at present, which represents a dramatic increase from six branches when the bank joined the MABS program in 2000. This individual network of banks has already dispersed \$26 million in micro loans using business strategies promoted by the MABS program.

¶3. Green Bank managers marked the occasion of the Ambassador's visit with a ceremony to recognize their 30,000th loan recipient, Rosie Bilog. Ms. Bilog's loan enabled her to increase her working capital to support operations of her cashew processing business. After the ceremony, the Ambassador met with the local press representatives and responded to a variety of questions on topics ranging from the MABS program to the war on terror.

Avian Influenza Municipal Planning Workshop

¶4. The Ambassador delivered remarks at an Avian Influenza (AI) Municipal Planning Workshop sponsored by USAID. The USG has invested \$129,000 to support a series of AI Municipal Planning Workshops for representatives from 33 provinces to develop preparedness plans, conduct public

information campaigns and heighten surveillance. Human and animal health professionals from the provinces of Surigao Del Sur and Surigao Del Norte attended a 2-day session at the Pryce Hotel in Cagayan De Oro on June 7-8. The Ambassador joined the group mid-morning to offer encouragement for the preparedness planning efforts. She highlighted the importance of working together to prepare for the possibility of an AI outbreak in the RP. She told workshop participants that she admired their commitment to protect the poultry industry and its workers by taking time away from their daily routine to learn more about counter-AI initiatives. The Ambassador's remarks were well received by the group. During the Q&A session, one participant thanked the Ambassador for her remarks and stated that her visit marked the first time, in his experience, that an Ambassador had recognized the contributions of health professionals.

Education & Employment Alliance

¶5. The Ambassador delivered the keynote speech at the Education and Employment Alliance (EEA) program launch in Cagayan de Oro. Together with the International Youth Foundation, USAID is sponsoring the EEA program in cities throughout the Southern island of Mindanao. The EEA provides out of school youth with education and employment opportunities to help them to earn a livelihood. USAID has awarded \$500,000 to support the three-year program. International Youth Foundation (IYF) and local partners are providing leverage that will double that amount. During her speech, the Ambassador said that education is the most important gift that we can offer to young people. She recognized the EEA as a partnership with committed citizens

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and encouraged all to reach out to help young people find a productive place in society. Local leaders including Governor Oscar Moreno of the Misamis Oriental province also endorsed the project. The event was well attended by local leaders including the Governor, Mayors, educators and project stakeholders. After the ceremony, the Ambassador held a press conference together with project stakeholders from the IYF, Consuelo Foundation and the Metal Working Industry Association of the Philippines to respond to questions about the EEA program.

Bulk Water Supply Project

¶6. The Ambassador also attended a signing ceremony for a \$9.6 million loan that the Development Bank of the Philippines will provide to the Rio Verde Water Consortium, Inc. for its Bulk Water Supply Project (BWSP) in Cagayan de Oro. The consortium is owned by American and Filipino investors. After the ceremony, she visited the construction site of the BWSP which will provide potable drinking water from a nearby river to citizens of the Cagayan De Oro and ultimately replace the town's waning supply of well water, which has become intermittently contaminated. The Rio Verde Water Consortium is considering similar projects in Zamboanga, Davao and Cebu.

KENNEY